



Legislation Text

File #: Res. 2019-046, **Version:** 1

City Council Meeting Date: May 21, 2019

To: Mayor and City Council
City Administrator

From: Sean Simonson, Engineering Manager
David Bennett, P.E., Public Works Director/City Engineer

Subject:

Consider Declaring Amount to be Assessed - 2019 Street Reclamation Project.

Action Requested:

Staff recommends approval of a Resolution declaring the cost to be assessed and ordering preparation of proposed assessment roll for the 2019 Street Reclamation Project (STRT2019-A42).

Note: This is the first of two actions related to the assessment hearing. The second item is a resolution which will set the date of the hearing.

Summary Report:

The City is being asked to restart these two actions related to assessment on the 2019 Street Reclamation Project. On April 16, 2019 the City declared the amount to be assessed, and called for the public hearing for the projects assessments. The hearing for the project was planned to occur at this meeting on May 21, 2019. However, staff found an error in the assessment roll in which residential properties in the north project area had the incorrect assessment rate applied. The benefit appraisal for a Standard Single Family Lot in the John North Park Area is \$67 per front foot. The incorrect assessment roll utilized \$62 per front foot rate from the Blue Stem Court area.

A typical single-family lot in the John North Park area has a frontage of 85 feet and an assessment of \$5,695. The previous notice utilized the incorrect front foot rate of \$62 vs. \$67. The new assessment roll will show the correct amount which on average is about \$425 more than what was previously noticed.

The City Council is being asked to hold a public hearing on June 18, 2019 regarding the assessments anticipated as part of the 2019 Street Reclamation Project (STRT2019-A42). A required 14-day notice will be published in the Northfield News and notices will be sent to the abutting property owners within the project boundaries. Additionally, as part of this mailing a summary of the hardship policy and additional information from the Housing and Redevelopment Authority will be included. Staff will ask the City Council to adopt the assessment roll at the June 18, 2019 City Council meeting.

The actions requested are required by Minnesota Statutes Chapter 429, which specifies the steps that must be taken to assess property owners for the cost of local improvements. The City Council has moved this project

forward to this point with the actions shown on the attached project process (Attachment 2).

The City of Northfield will be utilizing Special Assessments to defray a portion of the costs for the Reclamation Project. The current City of Northfield City Code, Chapter 66 - Special Assessments serves as a guide for the making of public improvements and the levying of special assessments within the City of Northfield. The City also follows the procedures and requirements of Minnesota Statute Chapter 429, specifically, but not by way of limitation, the cost of any public improvement may be assessed upon property benefited thereby, whether or not the property abuts on the improvement and whether or not any part of the cost is paid from the county state-aid highway fund, the municipal state-aid street fund, or the trunk highway fund.

The City of Northfield contracted with BRKW Real Estate Valuation Services to complete special benefit appraisals for the 2019 Street Reclamation Project, to assist Staff and City Council in levying in an equitable manner, special assessments to properties benefited by the improvement project. It should be noted that not every property potentially benefiting from the improvements proposed in the project area were appraised for special benefits purposes. Rather, for most properties, these appraisals reflect a preliminary benefits analysis in that it provides an approximation of likely special benefits accruing to those properties belonging to a special use group. Due to the multitude of unique properties and property types, two separate benefit appraisals were completed on the project, and are described below:

John North Park Area and Blue Stem Court

The project area contains a mix of residential uses, including single-family detached and twin home properties. There were four subject properties in this appraisal (Attachment 3):

1. Typical Standard Single-Family Lot - John North Park Area
2. Typical Twin Home Lot - John North Park Area
3. Typical Standard Single-Family Lot - Blue Stem Court
4. Typical Cul-De-Sac Single-Family Lot - Blue Stem Court

North of TH 19, South of Second Street West, West of Soo Line Corridor

The project area is mixed-use in nature, comprising a mix of residential, public/institutional and commercial/industrial properties. There were seven subject properties in this appraisal (Attachment 4):

1. Typical Single-Family Lot Property
2. Multifamily Property
3. Typical Commercial Lot Property
4. Longfellow School
5. St. John's Lutheran Church
6. Malt-O-Meal Plant
7. Odd Fellows Campus

Staff utilized the approved “Standards for Adjusting Front Footage for Special Assessments Purposes” (Attachment 5) for categorizing and applying assessments for all the parcels in the project area with the exception of the following properties, which Staff has adjusted in the assessment roll (Attachment 6).

Typical Standard Lot - John North Park Area (Attachment 7)

Staff deviated from Method 4 - Cul-de-Sac Lots from the *Standards for Adjusting Front Footage for Special Assessment Purposes*. This method suggests adjusting the front footage for cul-de-sac lots by taking the front footage measurement at the midpoint of one side lot line to the midpoint of the other side lot line. Attachment 7

shows where the measurement should be taken according to the approved method. Staff took the measurement at the midpoint of the shortest side of the lot, and measured perpendicular to the remaining side lot line as shown in Attachment 7 to calculate the assessment.

Typical Twin Home Lot - John North Park Area (Attachment 8)

The Benefit Appraisal calculated a \$2,900 approximate value benefit for the Typical Twin Home Lot in the John North Park Area. Staff utilized the “Per Lot” method for all similar properties within the townhome complex, with the exception of the eight lots that have back frontage on Meldahl Lane. These eight lots were assessed as part of the 2012 Street Reconstruction Project when Meldahl Lane was improved. Staff adjusted these assessment amounts to total \$2,900 for the two projects combined.

Typical Cul-de-sac Single Family Lot - Blue Stem Court (Attachment 9)

The Benefit Appraisal calculated a \$6,300 approximate value benefit, or \$100/front foot for the Typical Cul-de-sac Single Family lot. Using Method 4 in the *Standards for Adjusting Front Footage for Special Assessment Purposes*, Cul-de-sac lots, this measurement is to be taken from midpoint to midpoint on the side lot lines. Using this method, would increase the assessment amount well above the approximate value benefit calculated in the benefit appraisal. Staff utilized the “per lot method” for these parcels, and assess them all at \$6,300 as shown in Attachment 9.

Typical Single Family Lot - Third Street Area (Attachment 10)

The Benefit Appraisal calculated a \$3,800 approximate value benefit, or \$58 front/foot assessment cost for a Typical Single Family Lot in the Third Area of the project. There is an access road off Third Street that the properties served do not have direct frontage on Third Street. Staff adjusted the frontage the lots cumulatively occupy along Third Street times the \$58 front/foot and divide the assessment amount equally to the four properties served as shown in Attachment 10. This adjusted the assessment amount from \$3,800 per parcel to \$2,900 per parcel.

The City Council discussed the proposed assessments at the worksession on April 9 and no concerns on the proposed assessments were raised. The worksession was the primary added time dedicated to questions and discussions related to setting the proposed assessments. Due to lack of questions or alternative proposed assessment at the worksession, the item to declare assessments is the stage in the process where council is setting the policy direction and proposed overall assessments.

If approved, the next step then is an opportunity to hear for any appeals to reconsider the final adoption of the assessments, or not.

Alternative Options:

The Council could delay the adoption of this resolution, which would result in delaying the assessment hearing. However, since assessments are a necessary part of the project funding the hearing will need to be held at a future date.

Financial Impacts:

Attachment 11 details the Estimated Total Project Costs and Estimated Project Funding Tables at the time of declaring the amount to be assessed.

Tentative Timelines:

The attached project process (Attachment 2) shows the next steps in moving this project forward.

Please pay particular note that the process related to assessments on the 2nd page of the process.

- May 21st - Declare amount to be assessed and set the date and time for the Assessment Hearing as required by the 429 process.
- June 18th - Public Hearing. The purpose of this hearing is to *give property owners an opportunity to express concerns about the actual special assessment*. At the Assessment Hearing, the City Council shall hear and consider all objections to the proposed assessment, whether presented orally or in writing.
- June 18th - Adoption of Assessments. The intention is that when the assessment roll is declared to be assessed and call for the hearing that this is the intended assessment and the purpose thereafter is to hear any individual appeals at the hearing to consider any adjustment prior to adoption of the assessments.

The City Council has some flexibility before it adopts the assessment roll and may change, or amend, the proposed assessment as to any parcel. City Council must, by resolution, adopt the same as the special assessment against the lands named in the assessment roll. Once the assessment roll is adopted the assessments are set and become liens against the properties listed.

However, we are advising that the stage of the hearing and final assessments is really to focus on the final appeals and adjustments based on testimony or written appeals of individuals. This is not a time to be discussing the overall proposed assessment rolls (which was done on April 16) unless it directly relates to appeals at the public hearing.